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To: Hospital CFOs, MPA Liaisons
From: Willem Daniel, Deputy Director
Date: May 27, 2020
Re: RY 2021 Medicare Performance Adjustment Year 2 Results

Hospital CFOs –

The HSCRC has calculated the results of the Medicare Performance Adjustment (MPA) Year 2, details of which are provided in the attached excel file. The results will be effective in hospital Medicare payments beginning July 1, 2020. An overview of the excel file is included below.

On behalf of the HSCRC, we wanted to thank hospitals for their dedication under the Total Cost of Care (TCOC) Contract. The HSCRC will be working with the TCOC Work Group to explore the drivers of our success and continue to look for additional transformation and cost-saving opportunities in the data. We are also exploring ways to improve the MPA attribution for better transparency and stability.

The results for the first six months, January to June 2019, of the Episode Care Improvement Program (ECIP) have been included in the final MPA adjustments. These payments will be completed in another six months, at which time the MPA payment will be adjusted to remove these ECIP results and add the results for the second six month window (July to December 2019). Again, our sincere appreciation for your hard work in Year 2 and your continued engagement in future years of the MPA and ECIP.

Best,
Willem Daniel

Excel File Overview: Columns C through Q detail the cost per capita for the base (CY2018) and performance year (CY2019) in both risk adjusted and non-risk adjusted terms. Columns T through Z compare the hospital's performance to the target (National growth less 0.33% or 3.59%) and apply the quality adjustment. The final calculated adjustment (Column Z) is applied to the hospital's total Medicare FFS Maryland resident claim cost (Column AA) to calculate the hospital's MPA Performance in dollars (Column AB). The performance in dollars is applied to the hospital's total Medicare FFS cost (Column AD) to calculate the adjustment factor without the inclusion of the ECIP results (Column AE). The first six months of ECIP performance are provided in Column AG and included to calculate the final adjustment factor. **Column AH is the adjustment factor supplied to CMS to apply the impact to hospital rates.** This will be effective beginning July 1, 2020.